FINANCIAL LEADERS OPPOSE THE SUGAR POLICY MODERNIZATION ACT

March 20, 2018

To: The Honorable Pat Roberts, Chairman, Senate Agriculture Committee
The Honorable Debbie Stabenow, Ranking member, Senate Agriculture Committee
The Honorable Michael Conaway, Chairman, House Agriculture Committee
The Honorable Collin Peterson, Ranking member, House Agriculture Committee

The signatories of this letter are a representative group of local and regional banks that collectively make thousands of operating loans to sugar beet and sugarcane farmers across the nation and of Certified Public Accountants and tax professionals who prepare sugar farmers' state and federal tax filings. Given the confidentiality of their individual financial records, no one is in a better position to see and comprehend their income and cost challenges than we.

With low commodity prices across the board, American farmers are experiencing substantial economic stress. Beet and cane sugar producers are no different. For the past four years, depressed market prices caused by subsidized and dumped Mexican imports put tremendous financial stress on sugar producers, forcing some to exit the business and raising the financing hurdles for new growers seeking to enter the business.

Elimination or weakening of the safety net would dramatically alter the level of risk associated with the farming operation, a key factor in lending decisions farmers and their lenders make each year. Without an effective safety net, lenders would balk at offering operating loans to farmers who would have little prospect of repaying the loans in a depressed market.

We have had the opportunity to review the **"Sugar Policy Modernization Act"** that sugar policy opponents proposed to Congress in November 2017. It is clear the food-manufacturer opponents of sugar policy do not know what we know.

If this bill, or its individual elements, is adopted, it would force oversupply of the U.S. sugar market and would effectively remove the price safety net for American sugar farmers. The collapse of domestic sugar producers would cause major disruptions in the supply chain for food manufacturers and American consumers.

The economic repercussions would be severe for the many vulnerable rural communities and regional economies that depend on a strong sugar industry. Transfer of American economic activity and jobs to foreign sugar-producing countries would be the result. **The proposed legislation favors foreign sugar producers and multinational candy conglomerates over American jobs.**

Given the current fragile financial state of the U.S. sugar industry, we implore the Members of Congress to maintain a strong safety net for sugar farmers in the next Farm Bill, and to oppose any legislation that would weaken it.

Respectfully,

CALIFORNIA

Garcia & Preece
Brawley

COLORADO

Northern Colorado Agri-Business
Greeley

CoBank
Greenwood Village

FLORIDA

Bank of Belle Glade
Belle Glade

Farm Credit of Florida
Royal Palm Beach

Morgan, Jacoby, Thurn, Boyle & Assoc.
Vero Beach

Nowlen, Holt & Miner, P.A.
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The Nichols Accounting Group, P.C.
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LOUISIANA

Bank of Commerce
White Castle

Community First Bank
New Iberia

Duplantier, Hrapmann, Hogan & Maher, LLP, CPAs
New Orleans

Farmers Merchants Bank & Trust
Breaux Bridge

First Bank & Trust
Plaquemine

First National Bank of Jeanerette
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The Teche Bank
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MINNESOTA

American Federal Bank
East Grand Forks

Dahl, Hatton, Muir & Reese LTD
Hallock

Frandsen Bank and Trust
East Grand Forks

Heritage Bank, N.A.
Pennock

Kenton McGregor, CPA
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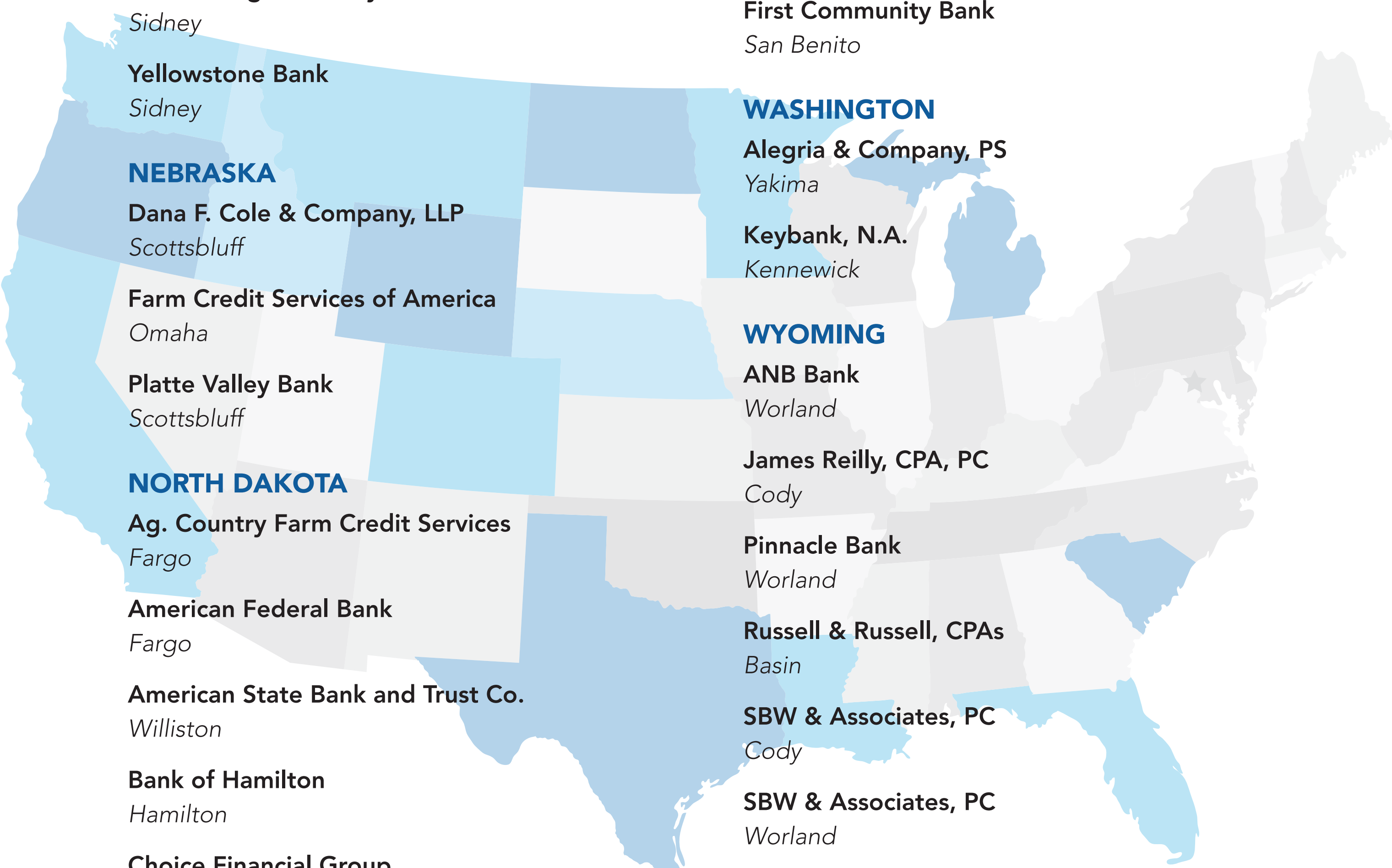
Northern Sky Bank
Crookston

Phil Thompson and Associates
Warren



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Billings

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Forsyth

Rabo AgriFinance
Billings

Smith, Lange & Halley, PC
Sidney

Yellowstone Bank
Sidney

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Ag. Country Farm Credit Services
Fargo

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Hamilton

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